

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6940

BILL NUMBER: SB 257

NOTE PREPARED: Jan 1, 2006

BILL AMENDED:

SUBJECT: Energy and Fuel Assistance Grants to schools.

FIRST AUTHOR: Sen. Alting

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill appropriates \$15,000,000 to make Energy Assistance Grants and \$15,000,000 to make Transportation Assistance Grants to school corporations and charter schools.

Effective Date: July 1, 2005 (retroactive).

Explanation of State Expenditures: The bill appropriates \$15 M for the 2005-2007 biennium for Energy Assistance Grants and \$15 M for Transportation Assistance Grants to local schools.

Energy Assistance Grants: The Budget Agency would develop guidelines and provide the grants to local schools for extraordinary heating and fuel costs incurred in FY 2006. Schools would be required to submit an application to the Budget Agency and establish that a grant is needed because of an increase in heating or fuel prices that resulted in an extraordinary increase in operating expenses. The Budget Agency may consider the extent to which the school has exercised its authority to pay utility costs from the Capital Projects Fund. The grants are to be distributed by August 31, 2006.

Transportation Assistance Grants: The Budget Agency would develop guidelines and provide the grants to local schools for extraordinary transportation cost incurred in FY 2006 as a result of fuel expense increase. Schools would be required to submit an application to the Budget Agency and establish that a grant is needed because of an increase in fuel prices that resulted in an extraordinary increase in operating expenses. The Department of Local Government Finance can not approve an excessive levy for increased transportation costs that are covered by a Transportation Assistance Grant. The grants are to be distributed by August 31, 2006.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: See *Explanation of State Expenditures*.

State Agencies Affected: Budget Agency, Department of Education, Department of Local Government Finance.

Local Agencies Affected: Schools.

Information Sources:

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